



# *CITY COUNCIL*

## *Finance Committee*

### **Meeting Report Monday, January 7, 2008**

**Committee Members Attending:** M. Godman-Hinershitz, J. Waltman, S. Fuhs

**Others Attending:** L. Churchill, R. Hottenstein, D. Cituk, L. Kelleher

**Committee of the Whole:** A Committee of the Whole was held from approximately 5:00p.m. to 6:15p.m., all members of Council, except President Spencer, were present. Others attending included: C. Younger, C. Kanezo, L. Churchill, Mayor McMahon and L. Kelleher

#### **Committee Structure and VP of Council Selection**

Ms. Kelleher reported that she had been in contact with President Spencer who would be unable to attend the meeting due to illness. President Spencer had requested the discussion of VP selection be postponed until all members of Council were present.

#### **Sale of Antietam**

Mayor McMahon reported the legal requirements related to the final sale of Antietam lake have been satisfied. The effects of the eminent domain proceedings – initiated by the County during the height of the Antietam debate – have been lifted. Mayor McMahon remarked that payment for the property should be received in a matter of weeks. Mr. Younger echoed Mayor McMahon's comments and added that the process has required a number of legal motions to settle.

Ms. Goodman-Hinnershitz remarked on the importance of having a process in place to manage the allocation of funds received from the sale of Antietam. Ms. Goodman-Hinnershitz felt monies received from any sale should be placed in an interest bearing account to be used for the expansion and maintenance of park and recreation facilities.

Mayor McMahon agreed that all funds would be used for the preservation and maintenance of park and recreation space. Possible projects identified by Mayor McMahon included: Pagoda Centennial repairs and City Park renovations. Mayor McMahon suggested a lock box could be established, where sale proceeds would be deposited. Interest earnings from the lock box could be used to support projects of a recreational nature that were not eligible for funding from other sources.

Mr. Marmarou noted that the number, and size, of projects identified by Mayor McMahon would exhaust the funds, gained through the sale, in a matter of months. Mayor McMahon responded that the City would actively pursue outside assistance. The idea is for the City to acquire sizeable grants and private sector dollars, through the leveraging of Antietam dollars.

Mr. Sterner recommended the Administration hold some Antietam dollars in reserve, in the event that additional pressures are placed on the General Fund.

Ms. Kelleher questioned if unexpended CDBG funds could be allocated to support several of the projects proposed by Mayor McMahon. Mr. Waltman remarked that the use of CDBG funds presented a unique opportunity; however, program caps and other limitations would likely preclude the immediate use of CDBG funds.

### **Executive Sessions**

Council entered executive session to discuss the proposed AFSCME contract and other matters related to the Antietam settlement at 5:30p.m.

### **Medical Arts Building Resolution**

Given input from the discussion at the Council Committee of the Whole meetings in December, the Administration withdrew the Resolution on the Medical Arts Building loan agreement. The Committee asked Mr. Churchill to have Mr. Mukerji prepare a new agreement based on the input received from City Council at the December meetings.

### **Fines and Fee Review**

At the December meeting the Committee asked the Administration to study the City's ability to undertake a review of the City's current fines and fees structure in-house and make a recommendation to the Committee on having the study done in-house or by a consultant. Mr. Hottenstein reported that given the current staffing levels in the Finance Department the study could be performed more expediently by a consultant. Undertaking the study in-house would create reduce the ability of staff to complete other projects and day-to-day tasks. He noted that the City of Lancaster is currently going through a fines-fees review which includes a cost study of other services

without additional charge. The expected cost of \$60,000 will cover a study of all fines and fees in Codes, including Planning-Zoning, Public Works, including Recreation, and Fire.

Ms. Kelleher noted that the City has not completed such an examination of fines and fees since the 1980's. There are currently many out-dated fees, such as the Pole Fee, on the books. She added that 2 years ago the Committee had her research the function of an independent internal auditor. When researching this issue she discovered that the internal auditor usually completes this type of task and makes recommendations for change to the body of Council.

### **Utility Study**

Mr. Churchill reported, after consulting with Public Works Director Charlie Jones, that the draft Storm Water study was obtained on Friday, January 4th. Additional information is needed. A draft will be completed and reviewed with the Committee at the February meeting. The report will include the cost and allocation of charges to commercial and residential properties.

A GIS study of the current street lighting is underway. The contractor must next complete a calculation of front footage at all buildings in the City. The Administration is unsure of the completion date at this point.

Mr. Waltman questioned the Administration's ability to manage another billing area when there are still so many problems with the water billing system. Mr. Hottenstein replied that these billing areas will be handled in the same manner as the recycling and trash areas and problems are not anticipated. Mr. Churchill stated that the Administration is currently exploring the implementation of a consolidated utility bill.

### **WWTP Design**

Mr. Churchill reported that only contractor responded to the RFP. Four contractors qualified in the RFQ process and only Black and Veatch submitted a proposal. He stated that there is concern that the City will not meet a pending Consent Decree deadline if the City goes out for a second RFP.

Mr. Waltman suggested asking the DOJ to waive the deadline to allow rebidding.

Mr. Churchill stated that it is believed that other the 3 contractors shied away due to the tight time line for completion and the high grade of quality expected. He stated that he will speak with Atty. Binder about asking the DOJ to allow a rebid.

### **Finance Report**

Mr. Hottenstein highlighted the December Finance Report distributed to the

Committee. He noted that the external audit will begin in the month of March by Herbein & Co.

Ms. Kelleher inquired when the contract with Herbein and Co. expires. Mr. Cituk reported that the contract will expire at the end of this year. He noted that the contract provides the option to extend the contract for one additional year.

Mr. Hottenstein explained the benefit of taking the one year extension. Ms. Kelleher inquired how long it would take to prepare an RFP for this service. Mr. Churchill reported that this RFP is boilerplate and could be turned out quickly during the summer months.

Respectfully submitted by,

Linda Kelleher  
City Clerk